POSTED: September 25, 3006

MEMORANDUM FOR: All NOAA Personnel

 FROM: Pamela Sellman
                          Chief, Benefits and Retirement Branch

SUBJECT: Thrift Savings Plan Reminder

The 2006 tax year for TSP and TSP Catch-Up contributions (TSP CUC) began December 11, 2005 (pay period 25) and will end December 9, 2006 (pay period 24). Employees have until pay period 24 of 2006 to contribute the maximum to the TSP and TSP CUC. The 2006 IRS tax limits are $15,000 for regular TSP contributions and $5,000 for TSP CUC.

TSP CUCs are supplemental contributions available to participants over age 50. Employees must be 50 or will turn age 50 in the year they are making CUC, they must be in a pay status, they must not be in a 6-month non-contributory period after a financial hardship withdrawal, and they will make (or have made) the maximum regular TSP contributions (i.e., $15,000 in 2006) for the year they are making the CUC. Employees must enroll in TSP CUC each year. The prior year's election is not valid after pay period 24 of the tax year.

Please be aware that once you reach the IRS tax limits for TSP and TSP CUC, the National Finance Center will suspend your contributions for the current tax year. In addition, the agency will stop making the agency matching contributions for employees under the Federal Employees Retirement System (FERS) for that tax year.

If your contributions and FERS agency matching contributions are suspended in tax year 2006, they will restart in tax year 2007 which will begin December 10, 2006 (pay period 25) and end December 8, 2007 (pay period 24). The 2007 IRS tax limits have not been published at this time.

The TSP Elective Deferral online calculator, http://www.tsp.gov/calc/contributions/index.html , can be used to help you determine if you will contribute the maximum to TSP and TSP CUC before the end of the 2006 tax year.

If you have any questions or need assistance, please contact your servicing Benefits Specialist. http://www.wfm.noaa.gov/pdfs/Contact_UNSEC_Bene_Retire.pdf

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